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UNITED STATES CIVIL SERVICE COMMISSION

FEDERAL PERSONNEL MANUAL SYSTEM

LETTER

Washington, D. C. 20415

October 1, 1965

FPM LETTER NO. 735-2

**SUBJECT:** Regulations on Employee Responsibilities and Conduct Implementing  
E. O. 11222, Prescribing Standards of Ethical Conduct for Government  
Officers and Employees

*Heads of Departments and Independent Establishments:*

Under Executive Order 11222 of May 6, 1965, the Commission is responsible for issuing Government-wide regulations setting forth the standards under which each agency head shall issue regulations governing the conduct of employees and special Government employees covering such matters as the acceptance of gifts, entertainment and favors, outside employment, teaching and writing, and the use of Government information for private gain. The order also directs the Commission to issue regulations requiring that certain employees and officials file statements of employment and financial interests.

The Commission has approved regulations setting forth the standards under which each agency head shall issue regulations governing the conduct of Government employees and special Government employees and the reporting of employment and financial interests. These regulations (new part 735), issued in accordance with the order, are attached.

Each agency must prepare its own regulations in accordance with the requirements of the Commission's regulations and submit two copies of them for approval to the Office of the General Counsel of the Civil Service Commission, Washington, D. C. 20415, not later than December 30, 1965.

The Commission's regulations are designed to allow maximum flexibility for each agency to prescribe regulations that will meet its particular needs so long as they are consistent with the intent of the Executive order to achieve Government-wide uniformity with respect to the minimum standards set forth in the Commission's regulations. Realistic and effective communication to employees and to the public doing business with the Government of the ethical standards under which Government business shall be conducted is called for. Also, the individual privileges of employees of the Government have been specifically recognized by the regulations in such sensitive areas as teaching, lecturing, and engaging in financial transactions in which no conflicts of interest issue exists.

**INQUIRIES:** Office of the General Counsel, code 183, extension 7321

**CSC CODE :** 735 Employee Responsibilities and Conduct

**DISTRIBUTION:** FPM

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The regulations contain the following particularly significant provisions which should be noted.

- (1) After Commission approval of agency regulations, the regulations must be submitted to the Federal Register for publication.
- (2) Each agency shall designate a top ranking employee who has appropriate experience, preferably legal, to be the counselor for the agency and to be the agency's designee to the Commission on matters covered by these regulations.
- (3) The agency's regulations (or a comprehensive summary) must be given to each employee.
- (4) The establishment of an interpretation and advisory service in each agency so that counselors are available to any employee who requests guidance is required.
- (5) Statements of employment and financial interest are required from employees in specified positions and from other employees whom agencies may designate.

Under Executive Order 11222, the issuance of these regulations revokes the President's Memorandum of May 2, 1963, Preventing Conflicts of Interest on the Part of Special Government Employees. However, the Commission is administratively adopting as Federal Personnel Manual instructions those portions of the memorandum which set forth rules for obtaining and utilizing the services of a consultant, adviser, or other temporary or intermittent employee. Those rules are in the section entitled, Conflict of Interest Statutes, in the revoked memorandum. Therefore, agencies should continue to observe these rules until such time as the Commission publishes a revised FPM Chapter 735 incorporating them.

These regulations are effective October 1, 1965.

By direction of the Commission:

*Nicholas J. Oganovic*

Nicholas J. Oganovic  
Executive Director

Attachment: New part 735 regulations

Approved For Release 2002/01/30 : CIA-RDP80-01794R000100040010-6

## Part 735 - Employee Responsibilities and Conduct

## SUBPART A--GENERAL PROVISIONS

## Sec.

- 735.101 Purpose.
- 735.102 Definitions.
- 735.103 Applicability to members of the uniformed services.
- 735.104 Issuance, approval, and publication of agency regulations.
- 735.105 Interpretation and advisory service.
- 735.106 Reviewing statements and reporting conflicts of interest.
- 735.107 Disciplinary and other remedial action.

SUBPART B--AGENCY REGULATIONS GOVERNING ETHICAL AND  
OTHER CONDUCT AND RESPONSIBILITIES OF EMPLOYEES

- 735.201 Specific provisions of agency regulations.
- 735.202 Gifts, entertainment, and favors.
- 735.203 Outside employment.
- 735.204 Financial interests.
- 735.205 Use of Government property.
- 735.206 Misuse of information.
- 735.207 Indebtedness.
- 735.208 Gambling, betting, and lotteries.
- 735.209 General conduct prejudicial to the Government.
- 735.210 Miscellaneous statutory provisions.

SUBPART C--AGENCY REGULATIONS GOVERNING ETHICAL AND  
OTHER CONDUCT AND RESPONSIBILITIES OF  
SPECIAL GOVERNMENT EMPLOYEES

- 735.301 Specific provisions of agency regulations.
- 735.302 Use of Government employment.
- 735.303 Use of inside information.
- 735.304 Coercion.
- 735.305 Gifts, entertainment, and favors.
- 735.306 Miscellaneous statutory provisions.

SUBPART D--AGENCY REGULATIONS GOVERNING STATEMENTS  
OF EMPLOYMENT AND FINANCIAL INTERESTS

- 735.401 Form and content of statements.
- 735.402 Specific provisions of agency regulations for employees.
- 735.403 Employees required to submit statements.
- 735.404 Employees not required to submit statements.

Sec.

- 735.405 Time and place for submission of employees' statements.
- 735.406 Supplementary statements.
- 735.407 Interests of employees' relatives.
- 735.408 Information not known by employees.
- 735.409 Information prohibited.
- 735.410 Confidentiality of employees' statements.
- 735.411 Effect of employees' statements on other requirements.
- 735.412 Specific provisions of agency regulations for special Government employees.

Authority: Secs. 735.101 to 735.412 issued under secs. 602, 701, 702, E.O. 11222, 30 F.R. 6469, 3 CFR, 1965 Supp.

#### SUBPART A--GENERAL PROVISIONS

##### Sec. 735.101 Purpose.

The maintenance of unusually high standards of honesty, integrity, impartiality, and conduct by Government employees and special Government employees is essential to assure the proper performance of the Government business and the maintenance of confidence by citizens in their Government. The avoidance of misconduct and conflicts of interest on the part of Government employees and special Government employees through informed judgment is indispensable to the maintenance of these standards. To accord with these concepts, this Part sets forth the Commission's regulations under which each agency head shall issue regulations covering the agency's employees and special Government employees, prescribing standards of conduct and responsibilities, and governing statements reporting employment and financial interests.

##### Sec. 735.102 Definitions. In this Part:

- (a) Agency means an executive department or independent establishment or agency in the executive branch, including a Government-owned or controlled corporation.
- (b) Employee means an officer or employee of an agency, but does not include a special Government employee or a member of the uniformed services.
- (c) Executive order means Executive Order 11222 of May 8, 1965.
- (d) Person means an individual, a corporation, a company, an association, a firm, a partnership, a society, a joint stock company, or any other organization or institution.
- (e) Special Government employee means a "special Government employee" as defined in section 202 of title 18 of the United States Code who is

employed in the executive branch, but does not include a member of the uniformed services.

(f) Uniformed services has the meaning given that term by section 101(3) of title 37 of the United States Code.

Sec. 735.103 Applicability to members of the uniformed services.

This Part, except this section, is not applicable to members of the uniformed services. Each agency having jurisdiction over members of the uniformed services shall issue regulations covering those members and regulating their ethical and other conduct and the reporting of employment and financial interests in a manner consistent with the Executive order and this Part.

Sec. 735.104 Issuance, approval, and publication of agency regulations.

(a) Except as provided in paragraph (f) of this section, each agency head shall prepare, and submit to the Commission for approval, regulations in accordance with this Part that:

(1) Implement the requirements of law, the Executive order, and this Part; and

(2) Prescribe additional standards of ethical and other conduct and reporting requirements that are appropriate to the particular functions and activities of the agency and are not inconsistent with law, the Executive order, and this Part.

(b) After Commission approval each agency head shall:

(1) Submit the agency's regulations to the Federal Register for publication;

(2) Furnish each employee and special Government employee a copy of the appropriate agency regulations (or a comprehensive summary thereof) within 90 days after approval;

(3) Furnish each new employee and special Government employee a copy of the appropriate agency regulations (or a comprehensive summary thereof) at the time of his entrance on duty;

(4) Bring the appropriate agency regulations to the attention of each employee and special Government employee annually, and at such other times as circumstances warrant;

(5) Assure the availability of counseling to each employee and special Government employee as provided in section 735.105; and

(6) Have available for review by employees and special Government employees, as appropriate, copies of laws, the Executive order, agency regulations, and pertinent Commission regulations and instructions relating to ethical and other conduct.

(c) Agency regulations issued under this Part are effective only after approval by the Commission and publication in the Federal Register.

(d) Requests for approval of agency regulations to be issued under this Part shall be directed to the United States Civil Service Commission, Office of the General Counsel, Washington, D. C. 20415.

(e) This section applies to any amendment of agency regulations issued under this Part.

(f) An agency head who does not consider it feasible to prepare agency regulations under this Part because of the small number of his employees, or for another reason acceptable to the Commission, may adopt the regulations in this Part for application, as appropriate, to the employees and special Government employees of his agency if:

(1) He obtains the approval of the Commission for that adoption; and

(2) After obtaining that approval, he submits a notice to the Federal Register announcing the applicability of this Part to his employees.

Sec. 735.105 Interpretation and advisory service.

(a) Each agency head shall designate a top-ranking employee of his agency who has appropriate experience, preferably legal, and in whom he has complete personal confidence, to be the counselor for the agency and to serve as the agency's designee to the Commission on matters covered by this Part. The counselor shall be made responsible for coordination of the agency's counseling services provided under paragraph (b) of this section and for assuring that counseling and interpretations on questions of conflicts of interest and other matters covered by this Part are available to deputy counselors designated under paragraph (b) of this section.

(b) Each agency head shall designate deputy counselors for the agency's employees and special Government employees. Deputy counselors designated under this section shall be qualified and in a position to give authoritative advice and guidance to each employee and special Government employee who seeks advice and guidance on questions of conflicts of interest and on other matters covered by this Part.

(c) Each agency shall notify its employees and special Government employees of the availability of counseling services and of how and where these services are available. This notification shall be made within 90 days after approval of the agency regulations to be issued under this Part, and

periodically thereafter: In the case of a new employee or special Government employee appointed after this notification, notification shall be made at the time of his entrance on duty.

**Sec. 735.106 Reviewing statements and reporting conflicts of interest.**

(a) Agency regulations issued under this Part shall establish a system for the review of statements of employment and financial interests submitted under Subpart D. The system of review shall be designed to disclose conflicts of interest or apparent conflicts of interest on the part of employees and special Government employees.

(b) The system of review established under paragraph (a) of this section shall provide that, when a statement submitted under Subpart D or information from other sources indicates a conflict between the interests of an employee or special Government employee and the performance of his services for the Government and when the conflict or appearance of conflict is not resolved at a lower level in the agency, the information concerning the conflict or appearance of conflict shall be reported to the agency head through the counselor for the agency.

(c) The employee or special Government employee concerned shall be provided an opportunity to explain the conflict or appearance of conflict.

**Sec. 735.107 Disciplinary and other remedial action.**

(a) Agency regulations issued under this Part shall provide that a violation of these regulations by an employee or special Government employee may be cause for appropriate disciplinary action which may be in addition to any penalty prescribed by law.

(b) When, after consideration of the explanation of the employee or special Government employee provided by section 735.106, the agency head decides that remedial action is required, he shall take immediate action to end the conflicts or appearance of conflicts of interest. Remedial action may include, but is not limited to:

- (1) Changes in assigned duties;
- (2) Divestment by the employee or special Government employee of his conflicting interest;
- (3) Disciplinary action; or
- (4) Disqualification for a particular assignment.

Remedial action, whether disciplinary or otherwise, shall be effected in accordance with any applicable laws, Executive orders, and regulations.

SUBPART B--AGENCY REGULATIONS GOVERNING ETHICAL AND  
OTHER CONDUCT AND RESPONSIBILITIES OF EMPLOYEES

Sec. 735.201 Specific provisions of agency regulations.

Agency regulations issued under this Subpart, as a minimum, shall contain provisions covering the standards of and governing the ethical and other conduct of its employees set forth in sections 735.202 through 735.210.

Sec. 735.202 Gifts, entertainment, and favors. [FPM 735-9, 82-2 & 5]

(a) Except as provided in paragraph (b) of this section, an employee shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, from a person who:

(1) Has, or is seeking to obtain, contractual or other business or financial relations with his agency;

(2) Conducts operations or activities that are regulated by his agency; or

(3) Has interests that may be substantially affected by the performance or nonperformance of his official duty.

(b) Agency regulations implementing paragraph (a) of this section may provide for such exceptions as may be necessary and appropriate in view of the nature of the agency's work and the duties and responsibilities of the employees. Appropriate exceptions which may be made by an agency include, but are not limited to, those that:

(1) Govern obvious family or personal relationships (such as those between the parents, children, or spouse of the employee and the employee) when the circumstances make it clear that it is those relationships rather than the business of the persons concerned which are the motivating factors;

(2) Permit acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a luncheon or dinner meeting or other meeting or on an inspection tour where an employee may properly be in attendance;

(3) Permit acceptance of loans from banks or other financial institutions on customary terms to finance proper and usual activities of employees, such as home mortgage loans; and

(4) Permit acceptance of unsolicited advertising or promotional material, such as pens, pencils, note pads, calendars and other items of nominal intrinsic value.

(c) An employee shall avoid any action, whether or not specifically prohibited by this Subpart, which might result in, or create the appearance of:



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- (1) Using public office for private gain;
- (2) Giving preferential treatment to any person;
- (3) Impeding Government efficiency or economy;
- (4) Losing complete independence or impartiality;
- (5) Making a Government decision outside official channels; or
- (6) Affecting adversely the confidence of the public in the integrity of the Government.

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(d) An employee shall not solicit contributions from another employee for a gift to an employee in a superior official position. An employee in a superior official position shall not accept a gift presented as a contribution from employees receiving less salary than himself. An employee shall not make a donation as a gift to an employee in a superior official position (5 U.S.C. 113).

HR 20-6

A.

(e) An employee shall not accept a gift, present, decoration, or other thing from a foreign government unless authorized by Congress as provided by the Constitution and in 5 U.S.C. 114 - 115a.

Sec. 735.203 Outside employment. [RPM 735-10, 92-3 8-6]

HR 10-7

A.(6)

(a) An employee shall not engage in outside employment or other outside activity not compatible with the full and proper discharge of the duties and responsibilities of his Government employment. Incompatible activities include but are not limited to:

(1) Acceptance of a fee, compensation, gift, payment of expense, or any other thing of monetary value in circumstances in which acceptance may result in, or create the appearance of, conflicts of interest; or

(2) Outside employment which tends to impair his mental or physical capacity to perform his Government duties and responsibilities in an acceptable manner.

None

(b) An employee shall not receive any salary or anything of monetary value from a private source as compensation for his services to the Government (18 U.S.C. 209).

HR 10-7C

Restrictions  
(Security)

(c) Employees are encouraged to engage in teaching, lecturing, and writing that is not prohibited by law, the Executive order, this Part, or the agency regulations. However, an employee shall not, either for or without compensation, engage in teaching, lecturing, or writing that is dependent on information obtained as a result of his Government employment, except when that information has been made available to the general public or will be made

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available on request, or when the agency head gives written authorization for the use of nonpublic information on the basis that the use is in the public interest. In addition, an employee who is a Presidential appointee covered by section 401(a) of the Order shall not receive compensation or anything of monetary value for any consultation, lecture, discussion, writing, or appearance the subject matter of which is devoted substantially to the responsibilities, programs, or operations of his agency, or which draws substantially on official data or ideas which have not become part of the body of public information.

(d) An employee shall not engage in outside employment under a State or local government, except in accordance with Part 734 of this chapter.

(e) This section does not preclude an employee from:

(1) Receipt of bona fide reimbursement, unless prohibited by law, for actual expenses for travel and such other necessary subsistence as is compatible with this Part for which no Government payment or reimbursement is made. However, an employee may not be reimbursed, and payment may not be made on his behalf, for excessive personal living expenses, gifts, entertainment or other personal benefits.

(2) Participation in the activities of national or State political parties not proscribed by law.

(3) Participation in the affairs of or acceptance of an award for a meritorious public contribution or achievement given by a charitable, religious, professional, social, fraternal, nonprofit educational and recreational, public service, or civic organization.

(4) Outside employment permitted under the regulations of his agency issued under this Part.

#### Sec. 735.204 Financial interests. [FPM 735-11, (2-4 & 6)]

(a) An employee shall not:

(1) Have a direct or indirect financial interest that conflicts substantially, or appears to conflict substantially, with his Government duties and responsibilities; or

(2) Engage in, directly or indirectly, a financial transaction as a result of, or primarily relying on, information obtained through his Government employment.

(b) This section does not preclude an employee from having a financial interest or engaging in financial transactions to the same extent as a private citizen not employed by the Government so long as it is not prohibited by law, the Executive order, this section, or the agency regulations.

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Sec. 735.205 Use of Government property. [FPM 735-11.6 2-17]

None An employee shall not directly or indirectly use, or allow the use of, Government property of any kind, including property leased to the Government, for other than officially approved activities. An employee has a positive duty to protect and conserve Government property, including equipment, supplies, and other property entrusted or issued to him.

Sec. 735.206 Misuse of information. [FPM 735-11.6 2-17]

None For the purpose of furthering a private interest, an employee shall not, except as provided in section 735.203(c), directly or indirectly use, or allow the use of, official information obtained through or in connection with his Government employment which has not been made available to the general public.

Sec. 735.207 Indebtedness. [FPM 735-11.6 2-17]

None An employee shall pay each just financial obligation in a proper and timely manner, especially one imposed by law such as Federal, State, or local taxes. For the purpose of this section, a "just financial obligation" means one acknowledged by the employee or reduced to judgment by a court, and "in a proper and timely manner" means in a manner which the agency determines does not, under the circumstances, reflect adversely on the Government as his employer. In the event of dispute between an employee and an alleged creditor, this section does not require an agency to determine the validity or amount of the disputed debt.

Sec. 735.208 Gambling, betting, and lotteries. [FPM 735-11.6 2-17]

None An employee shall not participate, while on Government-owned or leased property or while on duty for the Government, in any gambling activity including the operation of a gambling device, in conducting a lottery or pool, in a game for money or property, or in selling or purchasing a numbers slip or ticket. However, this section does not preclude activities:

(a) Necessitated by an employee's law enforcement duties; or

(b) Under section 3 of Executive Order 10927 and similar agency-approved activities.

Sec. 735.209 General conduct prejudicial to the Government. [FPM 735-11.6 2-17] HNS 20-4 16

None An employee shall not engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, or other conduct prejudicial to the Government.

Sec. 735.210 Miscellaneous statutory provisions.

Each employee shall acquaint himself with each statute that relates to his ethical and other conduct as an employee of his agency and of the Government. An agency shall direct the attention of its employees, by specific reference in the agency regulations issued under this Part, to each statute relating to the ethical and other conduct of employees of that agency and to the following statutory provisions:

- None* (a) House Concurrent Resolution 175, 85th Congress, 2d Session, 72 Stat. 312, the "Code of Ethics for Government Service". *NC*
- (b) Chapter 11 of title 18, United States Code, relating to bribery, graft, and conflicts of interest, as appropriate to the employees concerned. *APP 20-4*
- None* (c) The prohibition against lobbying with appropriated funds (18 U.S.C. 1913). *None*
- None* (d) The prohibitions against disloyalty and striking (5 U.S.C. 118p, 118r). *APP 20-4*
- None* (e) The prohibition against the employment of a member of a Communist organization (50 U.S.C. 784). *None*
- (f) The prohibitions against (1) the disclosure of classified information (18 U.S.C. 798, 50 U.S.C. 783); and (2) the disclosure of confidential information (18 U.S.C. 1905). *None 20-4 APP*
- None* (g) The provision relating to the habitual use of intoxicants to excess (5 U.S.C. 640). *None*
- None* (h) The prohibition against the misuse of a Government vehicle (5 U.S.C. 78c). *None*
- (i) The prohibition against the misuse of the franking privilege (18 U.S.C. 1719). *None 20-4 APP*
- None* (j) The prohibition against the use of deceit in an examination or personnel action in connection with Government employment (5 U.S.C. 637). *None*
- (k) The prohibition against fraud or false statements in a Government matter (18 U.S.C. 1001). *None 20-4 APP*
- None* (l) The prohibition against mutilating or destroying a public record (18 U.S.C. 2071). *None 20-4 APP*
- None* (m) The prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508). *None 20-4 APP*

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(n) The prohibitions against (1) embezzlement of Government money or property (18 U.S.C. 641); (2) failing to account for public money (18 U.S.C. 643); and (3) embezzlement of the money or property of another person in the possession of an employee by reason of his employment (18 U.S.C. 654). *NOTE* *APP 20-4*

(o) The prohibition against unauthorized use of documents relating to claims from or by the Government (18 U.S.C. 285). *NOTE* *APP 20-4*

(p) The prohibition against proscribed political activities - The Hatch Act (5 U.S.C. 1181), and 18 U.S.C. 602, 603, 607, and 608. *NOTE* *APP 20-4*

SUBPART C--AGENCY REGULATIONS GOVERNING ETHICAL AND  
OTHER CONDUCT AND RESPONSIBILITIES OF  
SPECIAL GOVERNMENT EMPLOYEES

Sec. 735.301 Specific provisions of agency regulations. *[FPM 735-15, (3-12)]*

Agency regulations issued under this Subpart, as a minimum, shall contain provisions covering the standards of and governing the ethical and other conduct of its special Government employees as set forth in sections 735.302 through 735.306. In addition, to the extent considered appropriate by the agency head, the agency regulations issued under this Subpart shall require its special Government employees to adhere to the standards of conduct made applicable to employees by the agency regulations issued under Subpart B of this Part. *NOTE*

Sec. 735.302 Use of Government employment. *[FPM 735-15, (3-2)]*

A special Government employee shall not use his Government employment for a purpose that is, or gives the appearance of being, motivated by the desire for private gain for himself or another person, particularly one with whom he has family, business, or financial ties. *NOTE* *APP 20-4*

Sec. 735.303 Use of inside information. *[FPM 735-15, (3-3)]*

(a) A special Government employee shall not use inside information obtained as a result of his Government employment for private gain for himself or another person either by direct action on his part or by counsel, recommendation, or suggestion to another person, particularly one with whom he has family, business, or financial ties. For the purpose of this section, "inside information" means information obtained under Government authority which has not become part of the body of public information. *NOTE* *APP 20-4*

(b) Agency regulations implementing paragraph (a) of this section may provide that special Government employees may teach, lecture, or write in a manner not inconsistent with section 735.203(c) in regard to employees. *NOTE* *APP 20-4*

Sec. 735.304 Coercion. [FPM 735-15, 83-14]

A special Government employee shall not use his Government employment to coerce, or give the appearance of coercing, a person to provide financial benefit to himself or another person, particularly one with whom he has family, business, or financial ties. NONE

Sec. 735.305 Gifts, entertainment, and favors. [FPM 735-15, 83-15]

(a) Except as provided in paragraph (b) of this section, a special Government employee, while so employed or in connection with his employment, shall not receive or solicit from a person having business with his agency anything of value as a gift, gratuity, loan, entertainment, or favor for himself or another person, particularly one with whom he has family, business, or financial ties. INCLUDES  
NONE

(b) Agency regulations implementing paragraph (a) of this section may provide for exceptions for special Government employees that are not inconsistent with the exceptions authorized for their employees under section 735.202(b). INCLUDES

Sec. 735.306 Miscellaneous statutory provisions. [FPM 735-16, 83-16]

Each special Government employee shall acquaint himself with each statute that relates to his ethical and other conduct as a special Government employee of his agency and of the Government. An agency shall direct the attention of its special Government employees, by specific reference in the agency regulations issued under this Part, to each statute relating to the ethical and other conduct of special Government employees of that agency and to those statutory provisions listed in section 735.210 that are applicable to special Government employees. NONE

SUBPART D--AGENCY REGULATIONS GOVERNING STATEMENTS  
OF EMPLOYMENT AND FINANCIAL INTERESTS

Sec. 735.401 Form and content of statements. [FPM 735-17, 84-1 & 4]

The statements of employment and financial interests required under this Subpart for use by employees and special Government employees shall contain, as a minimum, the information required by the formats prescribed by the Commission in the Federal Personnel Manual. NONE

Sec. 735.402 Specific provisions of agency regulations for employees.

Agency regulations issued under this Subpart for employees, as a minimum, shall contain provisions covering the reporting requirements set forth in sections 735.403 through 735.411. NONE

None Sec. 735.403 Employees required to submit statements. FPM 735-17  
 14-2-2-7 None

Except as provided in section 735.404, each agency head shall require statements of employment and financial interests from the following employees:

- ✓ (a) Employees paid at a level of the Federal Executive Salary Schedule established by the Federal Executive Salary Act of 1964, as amended.
- ✓ (b) Employees in grade GS-16 or above of the General Schedule established by the Classification Act of 1949, as amended, or in comparable or higher positions not subject to that Act.
- ✓ (c) Employees in hearing examiner positions as defined by section 930.202(c) of this chapter.

(d) Employees in positions specifically identified in the agency regulations as positions the basic duties and responsibilities of which require the incumbent to exercise judgment in making or recommending a Government decision or in taking or recommending Government action in regard to:

- (1) Contracting or procurement;
- (2) Administering or monitoring grants or subsidies;
- (3) Regulating or auditing private or other non-Federal enterprise; or
- (4) Other activities where the decision or action has an economic impact on the interests of any non-Federal enterprise.

However, employees in positions that meet these criteria may be excluded from the reporting requirement when an agency head determines that the duties of a position are at such a level of responsibility that the submission of a statement of employment and financial interests by the incumbent is not necessary because of the degree of supervision and review over the incumbent and the remote and inconsequential effect on the integrity of the Government.

(e) Employees in positions specifically identified in the agency regulations as positions determined by the agency head as requiring the incumbent thereof to report employment and financial interests in order to carry out the purpose of law, the Executive order, this Part, and the agency regulations.

Sec. 735.404 Employees not required to submit statements. FPM 735-18  
 14-3-3 None

None A statement of employment and financial interests is not required by this Subpart from an agency head, a Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in that Office, or a full-time member of a committee, board, or commission appointed by the President. These employees are subject to separate reporting requirements under section 401 of the Executive order. None

*NONE* Sec. 735.405 Time and place for submission of employees' statements. *NONE*

An employee required to submit a statement of employment and financial interests under the regulations of his agency shall submit that statement to the office designated in the agency regulations not later than:

(a) Ninety days after the effective date of the agency regulations issued under this Part if employed on or before that effective date; or

(b) Thirty days after his entrance on duty, but not earlier than ninety days after the effective date, if appointed after that effective date.

*NONE* Sec. 735.406 Supplementary statements. *NONE*

Changes in, or additions to, the information contained in an employee's statement of employment and financial interests shall be reported in a supplementary statement at the end of the quarter in which the changes occur. Quarters end March 31, June 30, September 30, and December 31, except when the Commission authorizes different dates on a showing by an agency of necessity therefor. If there are no changes or additions in a quarter, a negative report is not required. However, for the purpose of annual review, a supplementary statement, negative or otherwise, is required as of June 30 each year.

*NONE* Sec. 735.407 Interests of employees' relatives. *NONE*

The interest of a spouse, minor child, or other member of an employee's immediate household is considered to be an interest of the employee. For the purpose of this section, "member of an employee's immediate household" means those blood relations who are residents of the employee's household.

*NONE* Sec. 735.408 Information not known by employees. *NONE*

If any information required to be included on a statement of employment and financial interests or supplementary statement, including holdings placed in trust, is not known to the employee but is known to another person, the employee shall request that other person to submit information in his behalf.

*NONE* Sec. 735.409 Information prohibited. *NONE*

This Subpart does not require an employee to submit on a statement of employment and financial interests or supplementary statement any information relating to the employee's connection with, or interest in, a professional society or a charitable, religious, social, fraternal, recreational, public service, civic, or political organization or a similar organization not conducted as a business enterprise. For the purpose of this section, educational and other institutions doing research and development or related work involving grants of money from or contracts with the Government are deemed "business enterprises" and are required to be included in an employee's statement of employment and financial interests.



Sec. 735.410 Confidentiality of employees' statements.

NONE An agency shall hold each statement of employment and financial interests, and each supplementary statement, in confidence. An agency may not disclose information from a statement except as the Commission or the agency head may determine for good cause shown.

NONE Sec. 735.411 Effect of employees' statements on other requirements.

The statements of employment and financial interests and supplementary statements required of employees are in addition to, and not in substitution for, or in derogation of, any similar requirement imposed by law, order, or regulation. The submission of a statement or supplementary statement by an employee does not permit him or any other person to participate in a matter in which his or the other person's participation is prohibited by law, order, or regulation.

NONE Sec. 735.412 Specific provisions of agency regulations for special Government employees.

(a) Agency regulations issued under this Subpart for special Government employees, as a minimum, shall contain provisions covering the reporting requirements set forth in this section.

(b) Except as provided in paragraph (c) of this section, each agency head shall require each special Government employee to submit a statement of employment and financial interests which reports:

(1) All other employment; and

(2) The financial interests of the special Government employee which relate either directly or indirectly to the duties and responsibilities of the special Government employee.

(c) An agency head may waive the requirement in paragraph (b) of this section for the submission of a statement of employment and financial interests in the case of a special Government employee who is not a consultant or an expert when the agency finds that the duties of the position held by that special Government employee are of a nature and at such a level of responsibility that the submission of the statement by the incumbent is not necessary to protect the integrity of the Government. For the purpose of this paragraph, "consultant" and "expert" have the meanings given those terms by Chapter 304 of the Federal Personnel Manual, but do not include:

(1) A physician, dentist, or allied medical specialist whose services are procured to provide care and service to patients; or

(2) A veterinarian whose services are procured to provide care and service to animals.

(d) A statement of employment and financial interests required to be submitted under this section shall be submitted not later than the time of employment of the special Government employee as provided in the agency regulations. Each special Government employee shall keep his statement current throughout his employment with the agency by the submission of supplementary statements.